

# **FISCAL NOTE**

## **SB 1464 - HB 863**

March 1, 2001

**SUMMARY OF BILL:** Amends the retirement law by allowing both current and future Group 1 members who are teachers to retire with an unreduced service retirement benefit upon attainment of age 55 and completion of 25 years of creditable service.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$28,000,000 Annual Amortized Cost**

**Increase Local Govt. Expenditures\* - \$18,600,000 Annual Amortized Cost**

Estimate assumes:

- total lump sum pension liability of \$200,900,000.
- annual amortized cost has a 20-year amortization of the lump sum liability.
- K-12 teachers assume a 60%-40% ratio between state and local funding.
- retirement patterns will be altered and 50% of teachers that would otherwise elect to retire at a later date under current law will elect to retire earlier.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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